

EXECUTIVE DIRECTOR'S MONTHLY REPORT

NOVEMBER 2006

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- Continuous Improvement. Status of the four projects that commenced in September are:
 - Strategic Leadership Team. The team charter has been finalized and the team is meeting weekly to provide leadership and support the other organizational improvement efforts. The team is chaired by the Director of Planning & Policy and the vice chair is the CFO.
 - Pilot Project Chartering & Preliminary Performance Measures. A kick-off meeting for the project team and individual meetings with the team members to gather information were completed in October. The consultant will be working with the SLT to create the pilot charter and performance measures with Maglev as the project.
 - Staff Retreat. The work being done in the above three projects is the focal point for the staff retreat on November 7th. The retreat will be the forum for having an organization-wide discussion on the fundamental principles and values that we believe should guide how we work and to incorporate these values into our SCAG mission.
- Sub Regional Audits. All pre-award audits of Sub regions were completed this month with no new accounting issues identified. OWP Post Award audits are currently in progress at Gateways Cities COG and Western Riverside COG.
- External Audit. Vasquez & Co. completed its field work at the SCAG offices on October 20, 2006. Their audit work is on schedule for the annual financial report and the Single Audit report. The firm is now preparing the financial statements and reports, which will be presented to the Audit Committee at the end of November. We plan to publish the final report by the end of December.
- GASB 45 Accounting Requirements. Bartel & Associates has been engaged by SCAG to produce a report estimating the actuarial liability associated with SCAG's healthcare benefits to retirees. A preliminary report was presented to the CFO on October 19, 2006. Options to either fully or partially fund the estimated liability were requested to be delivered to the CFO on November 13, 2006. Following completion of an analysis, a report and recommendations will be presented to the Audit Committee, the Administration Committee and the RC.
- PARS Supplemental Defined Benefit Plan. The CFO is analyzing a plan to fully fund this liability along with the GASB 45 requirements. A report and recommendations to the Audit Committee, the Admin Committee and the RC will follow.
- FY07-08 Budget Process. The Budget process was officially kicked off on October 11, 2007. An updated Budget Input Module was provided to SCAG staff and Sub regions at a training session held on the same day. Budget input is scheduled to be received by Nov 13, 2006.

II. Provide support to the Regional Council in providing direction and leadership to SCAG

- On September 25th I participated in Orange County's Strategic Focus Stakeholders' Interviews. The viewpoints would assist Orange County in their strategic planning efforts and would be critical to the County's effective delivery of services now and in the future.
- On October 16th-17th I participated in CFEE's (California Foundation on the Environment and the Economy) Roundtable Conference on State and Local water needs at the Silverado Conference Center in Napa Valley. The conference focused on specific strategies, including public private partnerships; to plan, develop, implement and finance projects which are not dependent on state and federal funding. The objective was to identify practical tools and potential legislation to implement consensus-based outcomes of the conference.
- On October 25th I gave a Compass Growth Vision presentation before the Inland Valleys Association of Realtors at their retreat. They expressed a desire to establish a more active partnership with our members and SCAG on Compass implementation and our legislation to support Compass.
- On October 27th I attended the 2006 Boston World Oil Conference at Boston University and participated on a panel on "Peak Oil and Energy Policy, from Local to Global. Councilmember Debbie Cook and Randy Udall were the moderators. ASPO-USA had partnered with Boston University researchers to explore the critical role that new energy analysis should play in their policy decisions that go forward. The purpose of the conference was to have the experts provide the most current available information about the evolving peak oil and natural gas challenges.
- On October 30th I attended the Mobility 21 Fifth Annual Transportation Summit at the Sheraton Universal Hotel. There were breakout sessions on "Beyond SAFETEA-LU: An Agenda for 2009," "State Transportation Infrastructure Funding: Opportunities for the Region, Public Private Partnership. Senator Barbara Boxer was Keynote Speaker. She indicated that the next reauthorization should focus primarily on Goods Movement.
- SCAG's RFP for Leadership Development and Training resulted in ten (10) proposals being submitted. After screening and review, interviews were held with the top three (3) rated consultants. Since this leadership program will be for Regional Council Members, staff has recommended that the three finalists be invited for a second interview with a review panel composed of all RC Members. We look forward to moving ahead on the consultant selection.

III. SCAG Operations

- Recruitment

The Manager for Information Technology, Catherine Chavez, began working on October 30, 2006. The Manager of Accounting, Basil Panas, starts November 22nd and the Manager of Budget & Grants, Jacqueline Bobo, starts November 27th. The Manager of Member Relations is scheduled for completion this month. Several other staff Recruitment are underway.

- Training and Development/Professional Pathways

The wellness theme for November is Navigating Holiday Eating. An educational session on taming holiday eating is scheduled for November 8th and complimentary flu shots will be offered on the 9th. Leadership/management training series continues in November with classes on Project Management, Presentation & Delivery, as well as others. Preventing harassment and discrimination training was held on-site for management and staff in October. Speech communication and SAP training are on going as well.

IV. Implement Adopted Regional Plan

- Maglev. On October 2nd, Mayor Patrick Morris of the City of San Bernardino submitted a formal letter of support for SCAG's work on and advocacy for Maglev. The Mayor also requested that the Initial Operating Segment (IOS) be extended to connect to San Bernardino International Airport. Staff will bring the request forward to the Maglev Task Force at their November 9th meeting.

On October 17th, the Santa Clarita City Council approved a formal resolution supporting the development of a Maglev station in Santa Clarita. The station is part of the proposed Orangeline Maglev route that would connect Palmdale to Orange County, and is currently under study by the Orangeline Development Authority. The City Council also agreed to consider recommendations from the study regarding transit-oriented development around the station area. The study is expected to be completed within the next few months.

- Aviation. On October 12th the recently reactivated Southern California Regional Airport Authority (SCRAA) held its first meeting at the MTA offices. The keynote speaker at this meeting was SCAG consultant Scott McKenzie (of Prof. Steven Erie's consulting team) who presented their initial stakeholder survey results recently conducted for SCAG's Regional Airport Management Implementation Study. Partly in response to this presentation, the SCRAA board will address issues related to powers and membership at their next meeting in January by recommending changes to the SCRAA's joint powers agreement. It was generally agreed that the SCRAA has unneeded powers that are potentially onerous and should be eliminated, and that its membership is too county-centric and needs to be expanded. I will represent SCAG at this meeting and will advocate that the agency be represented on the SCRAA as a full voting member (instead of our current status as a non-voting ex-officio member).
- On October 13th I attended the first meeting of the Coalition to Explore the Development of a New Regional Airport in Palmdale, led by state senators Richard Alarcon and George Runner. At this meeting I discussed the economic importance of aviation to the region, and SCAG plans for addressing the looming regional airport capacity crisis.
- Forecasting. Forecasting staff completed the disaggregation of integrated growth forecasts (population, employment, household, housing units) at regional and county levels into small geographic areas including city, subregion, and transportation analysis zones (TAZ). Working closely with consultant teams, Housing, Compass and Forecasting staff processed, compiled, and prepared statistics/data/forecasts for the information packets to be used in the October-November Integrated Growth Forecast/RHNA subregion/local jurisdiction workshops.

Separately, Forecasting staff is in the process of developing methodologies to allocate the secondary variables as required by Modeling Division, and working in collaboration with key SCAG Divisions (Modeling, Transportation Planning, Compass Growth Visioning) to build consensus, develop better modeling methodology/process/procedure to assess the land use and smart growth benefits.

- Goods Movement. SCAG staff is continuing its discussions with officials at both the Federal and State governments regarding their commitment to sign the Southern California National Gateway Strategy MOU. Thus far, SCAG's Regional Council and the Board of Directors from most of the county transportation commissions have approved the MOU in its current form, and the Ports are proceeding positively to approve it. In our discussions with high level officials at both the Federal and State governments, it appears that some changes to the MOU may be required in order to get them fully on-board. However, we do not believe that these changes will be significant. Julie Nelson, who replaced Joel Szabat as the head of USDOT's Intermodal Hot Spot Team focused on Southern California goods movement issues, expects to visit Los Angeles to discuss this matter further on October 24th. I along with the other Chief

Executives from the county transportation commissions and the ports intend to meet with her during her visit. In the meantime, she has agreed to coordinate with her counterparts at other key federal agencies. At the State level, we continue our discussions with Barry Sedlick, Assistant Secretary of Business Transportation & Housing (BT&H). Officials at BT&H have expressed concerns regarding appropriate institutions for funding, environmental processing, and inter-jurisdictional projects. Nonetheless, the MOU effort is expected to be convened at the request of the Governor and dovetail with and provide for the regional implementation of the State Goods Movement Action Plan with respect to the Southern California National Freight Gateway.

V. Develop Additional Planning Efforts

- RHNA. The CEHD RHNA Subcommittee has taken several policy actions regarding RHNA and housing allocation and will be ready to present their findings and recommendations to the CEHD after their last meeting on October 19th. In their first three meetings, the RHNA Subcommittee discussed how various AB 2158 planning factors, which are required by state housing law, would be incorporated into jurisdictional allocations. AB 2158 factors discussed included farmworker housing needs, the loss of at-risk low-income units, housing cost, market demand, and the over-concentration of low income groups. The housing staff worked closely with the forecasting staff to obtain and transmit the data to the Subcommittee.

Housing staff has also received written questions and comments from interested parties regarding both RHNA methodology and policy. These inquiries and comments have been carefully logged so that housing staff can address them.

- Compass Blueprint. On October 3, 2006, the Compass Partnership convened and was updated on completed and future Demonstration Projects. A review of the Compass team's work and upcoming projects led to an interesting exchange of ideas for improving by-right and expedited entitlement processes, as well as strategies for increasing return on investment for infill development. With this, the group may explore future collaboration with ULI to develop guidelines for Municipal Revenue Enhancement programs. Committee members also provided their feedback on the preliminary plans for a Springtime Compass Blueprint Event and Recognition Program.

At the CEHD October meeting, the committee approved the staff ranking of Compass Blueprint Demonstration Project proposals with the caveat that proposals from non-member cities will only be approved if the cities join SCAG. Letters were mailed October 17th informing local jurisdictions of the status of their proposals. 11 projects have been approved and work will begin shortly. Four projects were "wait-listed" pending identification of additional program funding or resolution of SCAG membership issues. We look forward to working with our local jurisdictions to provide planning services that integrate land use and transportation planning, provides a mix of land uses and housing types, and engages a variety of public and private stakeholders.

- Regional Comprehensive Plan. The Regional Comprehensive Plan Task Force and staff team held the first of three workshops with the Regional Council and policy committees in October. The topic was world oil markets, featuring Professor Robert Kaufmann from Boston University. Staff is following up on the Regional Council's request to collect and disseminate information on innovative energy planning efforts in the region. Future sessions are tentatively planned on Open Space and earthquake preparedness. The Task Force is also in the process of approving initial performance outcomes for the RCP. These outcomes will be subsequently reported to the appropriate policy committees and will form the basis for outreach and further development of the RCP.

In October, SCAG held two regional workshops to gather input on environmental mitigation measures for the next Regional Transportation Plan. The outreach effort sought to identify how mitigation measures included in the current 2004 RTP could be of more assistance to agencies and local governments. The workshops drew over 30 participants from Federal, State and Tribal land use planning, natural resource, wildlife, environmental protection, conservation, and transportation agencies. This effort will help SCAG comply further with the new SAFETEA-LU environmental requirements.

- Air Quality/Conformity

Air Quality Management Plan for the South Coast Air Basin

As described in last month's RC Report, the State Implementation Plan (SIP) demonstrating attainment with the 8-hour ozone national ambient air quality standard (NAAQS) is due to the U.S. EPA by June 15, 2007. The SIP for the PM_{2.5} NAAQS is due to U.S. EPA by April 5, 2008. These are new standards that have not been included in previous air plans. As required by State law, the 2007 Air Quality Management Plan (AQMP) for the South Coast Air Basin is being prepared by South Coast Air Quality Management District (SCAQMD), the California Air Resources Board (CARB), and SCAG, and will be submitted after approval by the respective Boards to U.S. EPA to meet the SIP requirements for 8-hour ozone and PM_{2.5}.

SCAG is responsible for the transportation strategy and transportation control measures for the South Coast Air Basin AQMP, as well as providing socio-economic data and transportation model activity data to the SCAQMD and CARB for use in air quality and emission factor models. The EEC released SCAG's portion of the draft 2007 AQMP for the South Coast Air Basin in September, and a report on the release was given to the RC in October. The SCAQMD released the draft AQMP for public review and comment on October 10, 2006. A final draft AQMP is expected to be released in January 2007, and the public hearing by the SCAQMD Board is tentatively scheduled for April 2007. CARB expects to release its draft Statewide Air Plan element in January and take action on local plan elements in time to meet the June 15, 2007 submittal deadline.

SCAG staff will update the Energy and Environment Committee and the Transportation and Communications Committee on the status of the Draft AQMP in the coming months. The AQMP will be agendaized for Regional Council action early next year.

- Project-Level Conformity. As previously reported, SCAG staff has developed effective protocols and processes for interagency review of transportation projects to meet the project-level Particulate Matter conformity requirements (enacted in March by EPA). These processes have proved to be efficient and effective in moving projects through the TCWG meetings and Federal approval process. In October, SCAG staff made a presentation on these processes at a Caltrans sponsored workshop held in San Bernardino. The workshop, attended by approximately 100 people, was intended to educate transportation project sponsors, staff of the transportation commissions and Caltrans, consultants and other interested parties on the requirements for project-level conformity, including the interagency review process. To date, approximately 75 transportation projects for project-level PM conformity have been processed through the TCWG monthly meetings at SCAG. Without this processing, these projects would not receive Federal approval.

VI. Data & Planning Methods

- Upcoming 2006 State of the Region Release. Staff has completed a draft 2006 State of the Region Report which has been reviewed by the Benchmarks Task Force and SCAG Senior Management. Highlights of the report findings were provided to the CEHD Policy Committee for review at its October meeting. Staff is scheduled to brief the CEHD and Regional Council on major findings at their November 2, 2006 meetings. In addition to its usual broad coverage encompassing, among others, regional economy, transportation, housing, environment and education, the 2006 report also includes an Energy Section reflecting its growing significance for the future of Southern California and beyond. The report is currently scheduled for release through a press conference in December 2006.
- GIS Training for Member Jurisdictions. SCAG provided GIS training sessions to member jurisdictions from October 16-19, 2006. This four-day training provides the foundation for becoming a successful GIS user. The training involves showing staff from local agencies how to use the GIS software to perform analyses, create maps and perform data queries. There are 15 staff representatives from member jurisdictions participating in the training. The training is very successful and due to an overwhelming response, SCAG staff is scheduled to offer another training sessions in December 2006.
- New RTIP Database Released for CTC Final Review. Database staff has been working to develop a new Regional Transportation Improvement Program (RTIP) Database. The new database is an essential tool for the County Transportation Commission (CTC) staff to effectively manage the implementation of the RTIP program. It includes detailed information (e.g., types of improvements, funding source and level) for all projects contained in the RTIP. This is the first time that SCAG developed the new RTIP Database that is comprehensive and interactive. The database is a web-based, real time application and allows multiple users to access at the same time. These advanced features are aimed at enhancing the effectiveness of utilization by CTC staff and other users. The project was completed with internal staff resources only without consultant assistance.

The complete new RTIP Database was released on October 26, 2006 to CTC staff for final review. Final deployment is anticipated in December 2006. Staff will provide extensive training and on-going assistance to staff members from all county transportation commissions.

VII. Legislative and Communication Programs

- Legislative Program

Staff has prepared a draft Annual Legislative Program that will be presented to the policy committees in November and then for approval of the Regional Council in December. Because of SCAG's increased involvement in direct advocacy, the 2007 program is more focused and directed to our legislative audience. The 2007 Legislative Program federal advocacy priorities include those relating to Goods Movement, Aviation, and TEA-LU Reauthorization and Appropriations. State advocacy priorities include those related to Housing and Land Use, CEQA Reform and Environmental Streamlining, Transportation and Financing, Air Quality, Sustainability, Water, Waste Management, Habitat and Open Space, and Tribal Governments.

The U.S. Congress is in recess until after the November 7th election, and the state legislature is adjourned until December 4th. Our most immediate state legislative effort is to secure consensus on legislative language of the RHNA pilot project bill that SCAG intends to introduce. Staff has continued to meet with housing stakeholders to craft

language and will request authorization at this month's Policy Committees and Regional Council meeting to proceed with final legislative language.

- Communication

On October 18th, representatives from 12 metropolitan planning organizations from around the country participated in a conference call to discuss Best Practices in the area of public communications. The idea of the conference call stemmed from a discussion amongst MPO Executive leaders at an August TRB conference on the future of MPOs and the sharing of Best Practices and lessons learned. Topics discussed during the one-hour conference call included:

- Segmenting and effectively outreaching to the “General Public”
- Reaching out to underrepresented and underserved communities/groups
- Translating materials into alternative languages – when is it appropriate?